



# **MFMA SECTION 33 PROCESS - INFORMATION STATEMENT**

**ENTERING INTO A MEMORANDUM/SERVICE LEVEL OF  
AGREEMENT WITH AIR TRAFFIC NAVIGATION SYSTEM UNTIL 31  
OCTOBER 2030**

**This document is prepared in accordance with the provisions of Sec 33 of the MFMA to enter into a  
Memorandum/Service level of Agreement between air traffic navigation system and Msunduzi  
Municipality**

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## **1. BACKGROUND**

Section 33 of the Act prescribes that the public participation is required whenever a local authority intends signing contracts exceeding three (3) municipal financial years in length. In such instances the act also requires the municipality to provide background information and to write to the relevant sector departments to obtain their comments.

## **2. SECTION 33 PROCESS**

Where a contract or agreement is intended to span more than three (3) municipal financial years, Section 33 of the Municipal Finance Management Act, No 56 of 2003 (MFMA) requires the municipality to provide background information and to invite written comments from the local community and effected parties or persons and to write to government departments to obtain their comments.

The Msunduzi Municipality is required to initiate the public information process by advertising the matter at least 60 days prior to approving the agreement. The public invitation to comment on the draft Memorandum of Agreement is planned to be published on 24 July 2025 in the local media and on the municipal website.

The purpose of this document is to inform the public and certain government departments and affected stakeholders, parties or persons, as required by the MFMA, of the intention of the Msunduzi Municipality to enter into an agreement with Air Traffic and Navigation Services Company (ATNS) for more than three municipal financial years.

Where a municipality intends to have an agreement with a service provider and the financial obligations span over more than three municipal financial years, it must follow procedure as set out under Sec 33 of the MFMA. This Information Statement sets out the requirements of Sec 33 and outlines the content, scope and objectives of the agreement involved.

Section 33 of the MFMA requires as follow:

Section 33 (1)(a) that the Municipal Manager must, at least 60 days before the Council meeting where an agreement or contract is to be approved, inform certain parties of the intention to enter in an agreement by:

- Section 33 (1)(a)(i) issuing an Information Statement summarizing the municipalities obligation and draft agreement documents to the public and invite comments and representations; and
- Section 33 (1)(a)(ii) soliciting the views of – • National and Provincial Treasury
- National Department responsible for local government
- National Department having functional responsibilities related to the service being delivered.

- Section 33 (1)(b) Council must prior to the approval of the agreement, consider:
  - Section 33 (1)(b)(i) the financial obligations for each financial year of the agreement.
  - Section 33 (1)(b)(ii) the impact of these obligations on its revenue.
  - Section 33 (1)(b)(iii) any comments received from the local community and other interested persons.
  - Section 33 (1)(b)(iv) written views and recommendations of the National and Provincial Departments referred above.
- Section 33 (1)(c) Council must adopt a resolution in which it:
  - Determines that it will have sufficient budget or revenue to pay for the agreement.
  - Approves the entire agreement and
  - Authorises the Municipal Manager to sign the agreement.

### **3. PROPOSED MEMORANDUM OF AGREEMENT AND PROJECT BACKGROUND:**

In general terms, the services that will be agree to between Air Traffic and Navigation Services Company (ATNS) and Msunduzi Municipality cover the following:

- 3.1 ATNS is a key provider of Air Traffic Services nationwide. Their expertise and strong reputation are crucial in securing lower insurance premiums for the airport.
- 3.2 ATNS is a schedule 2 Public entity established by the aviation Act 74 of 1962 and as amended by the Aviation Laws Amended Act 98 of 1996. ATNS is also a Public Entity established under the Air Traffic and Navigation Services Company Act 45 of 1993.
- 3.3 ATNS (Air Traffic and Navigation Services) is a recognized and experienced provider of air traffic management services. Their expertise ensures that air traffic control, navigation, and airport operations meet international safety and operational standards.
- 3.4 ATNS has a proven track record of complying with regulatory standards set by the South African Civil Aviation Authority (SACAA). Contracting ATNS ensures that Pietermaritzburg Airport adheres to all necessary aviation regulations, including providing air traffic services, maintaining RNAV GNSS approaches, conducting WGS-84 surveys, and updating aerodrome charts in accordance with national and international standards.
- 3.5 With ATNS managing air traffic services, the airport can expect a high level of operational reliability. ATNS's experience ensures that air traffic management is carried out smoothly, minimizing delays, enhancing operational efficiency, and ensuring the airport can meet the demands of air traffic while maintaining an effective level of service.
- 3.6 Partnering with ATNS, a reputable national air traffic and navigation service provider, enhances the credibility and reputation of Pietermaritzburg Airport. This can foster

confidence among airlines, passengers, and regulators in the airport's ability to handle aviation operations safely and effectively. This also has a bearing on the airport's insurance.

- 3.7 ATNS is equipped to handle the regular maintenance and updates required for RNAV GNSS approaches and WGS-84 surveys, ensuring that the airport's navigation systems remain accurate and reliable. Additionally, ATNS will ensure that the aerodrome chart is updated, keeping it in compliance with the latest operational changes.
- 3.8 The WGS-84 surveys and the aerodrome chart are essential for the airport's licensing requirements and are subject to review during audits.
- 3.9 The five-year term is applied for in line with section 33 of the Municipal Finance Management Act which prescribes that public participation is required whenever a local authority intends to sign an agreement or contract beyond the three (3) municipal financial years in length.

**What will be expected from the service provider by the municipality?**

- With effect from the Effective Date, ATNS shall-
- Provide the Services subject to and in accordance with the provisions of this agreement and subject to and in accordance with the Regulations.
- Ensure that the Services are performed in a professional and timely manner using all professional skills and diligence with the same level of competency expected of similar consultants possessing comparable experience with the objective of assisting the Municipality in the operation of the Pietermaritzburg Aerodrome by providing Air Traffic Information, advice and alerting services for the duration of this agreement.
- Seek written approval from the Municipality by tabling a detailed needs analysis based on all relevant aviation legislation for the expansion of service or the procurement of Air Navigation Service equipment which may be necessary in time due to traffic growth and the associated demand on service delivery. The procurement of said equipment and service shall be done by ATNS with full cost recovery from the Municipality.
- Maintain the VCCS and provide the Municipality with written requirements for the repair and replacement of parts.
- Supply the Municipality with copies of all audit reports and subsequent action plans relating to the provision of the service at Pietermaritzburg including but not limited to SACAA audits and ATNS Quality and safety audits.
- Manage all aircraft, people and vehicles on the manoeuvring area as well as aircraft operating within the designated associated airspace or in the vicinity of the Pietermaritzburg Aerodrome within the aerodrome traffic circuit and as defined in the AIP as amended from time to time.

- Engage or employ from time to time in its name and at its own cost, suitably qualified, licensed, skilled and experienced personnel, professional advisors, consultants and/or agents, on a temporary or on a full time basis, as ATNS may deem necessary, provided that if the Municipality should, at any time, show on reasonable grounds that any such employee, advisor, consultant or agent is not suitably qualified, licensed, skilled or experienced to be deployed in the fulfilment of the Services, ATNS shall, on written request thereto by the Municipality, cease the deployment of such person and shall replace such person with a person who is suitable for such deployment;
- Keep a record, containing at least the minimum information of all aircraft movements and make such record available daily to the Municipality in a softcopy format, or in such other manner or format as may be agreed upon from time to time by the parties in writing.
- Report to Municipality if any equipment or facility used in or in relation to the provision of the Services should become unserviceable. On request from Municipality also complete the necessary NOTAM action to notify all pilots who are using or at any time intend using the Pietermaritzburg Aerodrome, as to the status of said equipment or facility.
- Repair such equipment in accordance with its own SLA's provided that it shall not alter, modify or in any way change the facilities or any part thereof without the prior written approval of the Municipality.
- Provide and maintain furniture and office equipment as may be required to provide the Service.
- Take reasonable care of all the equipment and facilities provided by Municipality for the provision of the Services, and upon termination of this agreement, return such equipment and facilities to Municipality in the same condition which they were in at the signature date of this agreement, fair wear and tear alone excepted.
- Within 21 (twenty-one) calendar days after the effective date conduct a compliance and functional audit of existing equipment and facilities at the Pietermaritzburg Aerodrome and furnish Municipality with a written report in respect of any deficiencies therein.
- ATNS annually on each anniversary of the effective date, conduct a compliance and functional audit of the equipment and facilities and the control tower building and report any deficiencies therein to Municipality in writing.
- liaise and co-operate with Municipality with regards to all occupational health and safety related matters.

- Forthwith upon becoming aware thereof, report all air traffic and other accidents and serious incidents within the Pietermaritzburg airspace to the Municipality and assist the Municipality in specific investigations that may be conducted by the SACAA into any such events.
- observe and comply with all laws, which may from time to time be in force in the Republic, which are or may be applicable to the performance of the Services.
- Generally, and subject to the provision of this agreement do everything necessary to ensure compliance by the Municipality with the legislation.
- In event that the designated service provider is unavailable during emergency to fix the following critical equipment; (runway lights and approach lights) , ATNS shall on municipality's request fix such equipment at a cost, such written request may be received after event in less than five working days.

### **Communications and navigational equipment**

- The Municipality shall, at its own cost, provide, free of charge, the use of its navigational aids so as to enable ATNS to provide the service in terms of this agreement. The Municipality hereby undertakes to use its best endeavours to procure access for ATNS to the telephone lines reflected in Annexure A hereto. Which lines are supplied by Telkom.
- The Municipality shall procure the installation of and maintain in good order such measuring equipment as may be necessary to measure telephone costs associated with the use of telephone lines by ATNS personnel for their private and personal business or matters not contemplated in this agreement in as far as the rendering of Air Traffic Services are concerned. ATNS specifically agrees to pay their portion of the costs within 7 (seven) days after receipt of written request thereto from ATNS, make available to ATNS the reading of ATNS' use of the telephone lines, and hereby grants to ATNS the right, through its external auditors to audit such readings. The parties agree that any disputes arising in terms of this clause shall be referred to the Control Committee for resolution.
- The Municipality shall not be liable to ATNS for any loss, direct, indirect or consequential which may arise as a result of the failure of third-party equipment not supplied or maintained by ATNS or the Municipality.

### **Control committee**

- The Airport Manager, or any person designated by the Airport Manager from time to time, and an ATNS employee designated from time to time by ATNS in writing, shall

deal with all day to day operational and maintenance issues regarding the performance of the Services. Any dispute or disagreement arising between the said persons which cannot be resolved between them will, as soon as reasonably possible after arising.

- ATNS and Municipality shall establish a control committee, which shall meet from time to time to consider and decide upon matters relating to the provision of the services in terms of this agreement.
- The control committee shall consist of 4 (four) persons who shall be nominated in writing from time to time by the parties, and who shall be the following representatives:
- ATNS - 1(one) management member of ATNS and the senior ATNS official at Pietermaritzburg Aerodrome.
- Municipality– the airport manager or his/her delegate and 1 (one) representative from the Municipality.
- The control committee shall meet at any time required by any party on reasonable written notice to the other.
- The control committee shall appoint a chairperson on a rotational basis between the parties, which chairperson shall not have a second or casting vote. Decisions shall be taken on a consensus basis. The control committee shall keep record of all its deliberations and decisions and shall submit copies thereof to the parties.

**The function of the control committee shall be –**

- To endeavour to settle any differences or disputes between the parties which have been referred to it or which relate to the application and interpretation of general operational issues and maintenance in terms of this agreement.
- To agree and make recommendations to the parties regarding any changes to the level of the services, facilities, ancillary services, and costs of this agreement, any new and/or additional equipment and/or navigational systems, which may be required to provide the Services.
- Should the members of the control committee fail to reach unanimity on any matter or should a deadlock arise between the parties in respect of any matter as contemplated in the preceding paragraph, the matter in respect of which a deadlock has arisen shall be referred within 7 (seven) days after such deadlock to the respective designated representatives of ATNS and the Municipality for determination by way of mediation as soon as possible thereafter. If the said designated representatives are not able to resolve the deadlock within 7 (seven) days after referral to them, or such longer period as agreed to between ATNS and the Municipality.



#### 4. WHY IS THE AGREEMENT IS PROPOSED

4.1 The Msunduzi municipality is requesting a 5-year contract. The rationale behind this is that the aerodrome chart and the RNAV GNSS approach is conducted every 5 years. This helps in securing current pricing for the Aerodrome Chart and RNAV GNSS Approach, which could be considerably more expensive if negotiated three years from now.

4.2 Pietermaritzburg Airport has been designated as Class C controlled airspace by the South African Civil Aviation Authority (SACAA), meaning the airport is obligated to provide air traffic services.

4.3 The airport is also required to offer approach procedures, with the RNAV GNSS approaches currently used at Pietermaritzburg Airport and widely adopted across all airports in South Africa. These are updated every five years.

4.4 Another requirement for Class C airspace is the annual WGS-84 survey to ensure no obstacles infringe upon the obstacle limitation surface (OLS).

4.5 The airport must also update its aerodrome chart every five years.

4.6 The municipality has a three-year contract with ATNS for the provision of all these services for Pietermaritzburg Airport, expired on June 30, 2025, and was further extended for three months and is set to expire on 30 September 2025.

#### 5. CONTRACT PERIOD

Proposed commencement date is 1<sup>st</sup> of November 2025 and end date 31 October 2030.

#### 6. FINANCIAL IMPLICATIONS FOR MSUNDUZI MUNICIPALITY:

Description	2025/26	2026/27	2027/28	2028/29	2029/30	Total for 5 years
Air traffic Service fee (Annual)	R4 815 987,70	R 5 153 106,84	R5 513 824,32	R 5 899 792,02	R 6 312 777,47	R 27 695 488,35
Air Traffic Service fee (monthly)	R401 332,31	R429 425,57	R 459 485,36	R 491 649,34	R 526 064,79	
WGS-84 Survey and OLS Annex 14 (annual)	R105500	R113412,50	R 121 918,45	R 130 452,74	R 139 584,43	R610 868,12
GNSS Procedure Design					R464 728,10	R464 728,10
Aerodrome Chart update					R146 809,15	R146 809,15
Total	R5 322 820,01	R5 695 944,91	R 6 095 228,13	R 6 521 894,10	R 7 589 963,94	R 28 917 893,73

## **7. ACCESS TO INFORMATION REGARDING THE MFMA S33 PROCESS:**

Copies of the Draft Memorandum of Agreement with AIR TRAFFIC NAVIGATION SYSTEM (ATNS) will be available during office hours at our offices at 333 Church street AS Chetty building 5<sup>th</sup> floor SCM Unit offices of the Msunduzi Municipality from 07h30 to 16h00, Monday to Friday.

A copy of all documentation will also be available on the municipal website [www.msunduzi.gov.za](http://www.msunduzi.gov.za)

## **8. WHERE TO SUBMIT COMMENTS:**

Written comments must be submitted on or before Friday 26 September 2025 in a sealed envelope that must be deposited in the tender box located at Msunduzi Municipality's central stores 2 Abattoir road (off Kershaw street), Pietermaritzburg 3201 or email to [procurement@msunduzi.gov.za](mailto:procurement@msunduzi.gov.za)

All submissions must be addressed to:

The Municipal Manager

**Submissions must be clearly marked: "SECTION 33 PROCESS – Memorandum of Agreement with AIR TRAFFIC NAVIGATION SYSTEM (ATNS)."**

## **9. NEXT STEPS:**

Members of the local communities and other interested parties or persons are invited to present their comments or representations in respect of the proposed agreement and the granting of the right to work with AIR TRAFFIC NAVIGATION SYSTEM (ATNS), according to the condition set in the proposed agreement.

Msunduzi municipality will finalize the agreement with the service provider and will solicit the views and recommendations of stakeholders, including National and Provincial Treasuries, National Department responsible for local government.

The agreement and all comments and views received relevant to the proposed agreement will be based and assessed and included in the report to be presented to Council for the final decision as to whether to enter into an agreement with ATNS.

Drafted and issued by:

Mrs N Ngcobo

Acting Municipal manager

Msunduzi Municipality

Date: 24 July 2023

